

IN THE MATTER OF FACTFINDING

BETWEEN )  
 )  
RINGGOLD COUNTY, IOWA, )  
 )  
PUBLIC EMPLOYER, )  
AND )  
 )  
PUBLIC PROFESSIONAL AND )  
MAINTENANCE EMPLOYEES LOCAL 2003, )  
 )  
EMPLOYEE ORGANIZATION. )

2002 MAR 14 AM 10:19  
PUBLIC EMPLOYMENT  
RELATIONS BOARD  
HUGH J. PERRY, FACTFINDER  
Recommendations issued:  
March 13<sup>th</sup>, 2002

APPEARANCES:

FOR RINGGOLD COUNTY:  
JAMES SWANGER, ATTORNEY

FOR PPME LOCAL 2003:  
RANDALL SCHULTZ, BUSINESS REP.  
DEBORAH GROENE, ATTORNEY

BACKGROUND

Public Professional and Maintenance Employees local 2003 represents a bargaining unit comprised of 22 Ringgold County Secondary Road Employees. Ringgold County is located among Iowa's most southern tier of counties. The parties have been bargaining collectively under the Public Employment Relations Act since the 1977-78 contract. They are concluding a 2 year agreement, July 1, 2000 to July 1, 2002. The parties have resolved all impasse issues for the 2002-2003 contract with the exception of **Wages** and **Insurance**. They have engaged statutory factfinding to complete their contract and have extended the date for completion of impasse procedures until April 5, 2002. A hearing was held on February 28<sup>th</sup>, 2002 at the Ringgold County Courthouse. In making the recommendations which follow, I have considered the criteria set forth in section 20.22(9) of the Public Employment Relations Act.

IMPASSE ISSUES

The issues for recommendation are **Wages** and **Insurance**.

## CURRENT CONTRACT

**Wages.** The current contract provides for wages starting at \$13.33 (Maintenance Operator I) and topping out at \$14.08 (Working Foreman II). The target wage for the bargaining unit is \$13.65/hour, that of Maintenance Operator II, the most populated position. Probationary employees (first 6 months) receive \$.75/hour less than their assigned classification. The employees have received a 3% wage increase for each of the last 2 contract years. The contract also provides for longevity pay commencing after 5 years of service (\$.05/hour for each 5 years up to \$.20/hour after 20 years).

**Insurance.** The County presently provides the ISAC Alliance Select Plan 4 group health insurance for these employees. The plan provides for deductibles of \$100/single and \$200/family. With co-insurance, maximum annual out of pocket is \$750 for single and \$1500 for family. The current premiums are \$398.00 per month for single coverage and \$880.00 per month for family coverage. The County pays the cost of single insurance. An employee electing family coverage pays \$153.82 per month toward such coverage and the county pays the balance. ISAC (Iowa Association of Counties) predicts a 12.5% insurance increase effective July 1, 2002. Accordingly, rates for this plan (now Plan 3) are projected to be \$447 per month for single insurance and \$993 per month for family coverage effective July 1, 2002. Nineteen out of twenty-two members of the bargaining unit currently take the family insurance.

## POSITIONS OF THE PARTIES

### Wages

The **Union** proposes a 4% wage increase for these employees. In support of its proposals the Union advances a comparability grouping of counties around Ringgold including the counties of Adair, Madison, Cass, Warren, Montgomery, Adams, Union, Clarke, Lucas, Page, Taylor, Decatur and Wayne. It notes that while the \$13.65 target wage is somewhat higher than average, it must be considered that Ringgold employees went from a 45 hour week with 5 hours of built in overtime to a 42.5 hour week and finally to the present 40 hour week. Hourly wages were adjusted in the process. It was noted that settlements in these other counties have been higher for the previous two years, 4.26% and 4.39% than in Ringgold County, 3% and 3%. The Union submitted data indicating that settlements this year among its comparability group were averaging 3.7%.

The **County** proposes a 2% wage increase, 2% of the Maintenance Operator wage, \$.27/hour spread across the bargaining unit. The County utilizes as its comparison group the counties immediately adjacent to Ringgold, Taylor, Adams, Union, Clarke and Decatur. It notes

that the CPI-U was 1.6% for the period ending in December and that the CPI-W was 1.3% for the same period. It argues that the wages of these employees compare very favorably when viewed against their counterparts in the surrounding counties. The County submitted data indicating that median household income in Ringgold county averaged \$27,802 versus an average of \$28,594 in the neighboring counties. Ringgold County's population of 5,469 places it 98<sup>th</sup> among Iowa counties. The County is 95<sup>th</sup> in property taxes levied and 99<sup>th</sup> in taxable valuation.

### **Insurance**

The **Union** urges that the current insurance plan be continued except that it be renamed ISAC Alliance Select Plan 3 to reflect the plan's redesignation by ISAC. Under this proposal the County would continue to provide single health insurance and the employees would be required to pay \$153.82 per month for family insurance. The same deductibles, \$100/\$200 and maximum out of pocket \$750/\$1,500 would pertain. The Union notes that all of the counties in its comparability grouping provide single insurance at no cost to the employees and that 6 of the 13 counties have dependent premium caps. The Union notes that 7 of the 13 counties have \$100 single deductibles or less. It submitted data indicating that if the county's wage and insurance proposals were implemented that it could costs these employees from \$1.09 to \$4.13 per hour. The Union notes that the County did not inform it of projected rate increases nor propose moving to ISAC plan 5 until mediation in January of 2002.

The **County** proposes that the employees be covered by ISAC Alliance Select Plan 5 for the term of this contract. Plan 5 provides for annual deductibles of \$500 per for single and \$1,000.00 for family. Maximum annual out of pocket for single coverage is \$1,500.00 and \$3,000.00 for family. Effective July 1, 2002 monthly premiums for Plan 5 will be \$399 for single and \$875 for family coverage. The County would pay the entire single premium of \$399 per month plus 50% of any increase in the premium after July 1, 2002 with the employee paying 50% of any single increase. The County would pay 50% of the additional premium for family coverage under plan 5 and the employee will pay 50%, provided, however, that if an employee's spouse has other health insurance coverage available, including coverage offered through an association as a result of a spouse's employment, profession or self employment, the employee will be responsible for paying the entire monthly premium for family coverage. The County offers eligible employees the option of selecting family coverage under ISAC Plan 3 but an employee so selecting is responsible for the payment of any amount in excess of that paid by the County under ISAC Plan 5. Further, if an employee's spouse has other health insurance available then the employee is responsible for paying the entire premium for family insurance. The County notes that for July 1, 1990 the single health insurance premium was \$171.20 per month, 100% paid by the County. Today the single health insurance provided these employees is \$398 per month effective July 1, 2001 and projected to increase by

12.5% for July 1, 2002. Family insurance has gone from \$387.47 per month on July 1, 2002 to \$880.00 per month on July 1, 2001. It too is projected to increase 12.5%. The County notes that single health insurance has always been provided these employees at no cost to them and that since 1982 they have contributed \$153.82 toward the cost of family insurance. In 1990 \$153.82 amounted to 39.7% of the monthly premium. Today it represents only 17.5% of the premium. The County notes that \$153.82 in 1982 would be \$282.30 in today's dollars. The County argues that its proposal to require employees to pay the entire cost of family insurance when such insurance is available through an employee's spouse will act to end the subsidization of other area employers by the County with respect to health insurance. The County notes that health insurance has become a tremendous economic burden and contends that it will require a neutral to bring equity back into this dispute.

## DISCUSSION

**Wages** - As discussed below, I believe that the parties could reach an agreement on Wages but for their disagreement concerning health insurance. For the previous two contract years wages have been adjusted by 3% each year. These employees wages compare favorably to their counterparts in the surrounding counties, however, this is a function to some extent of reducing their work week from 45 to 40 hours and adjusting the hourly wages accordingly. Prior to this, the employees were guaranteed 5 hours of overtime per week. The Union's settlement data indicates area county settlements averaging 3.7%. The County contends that wages are high in Ringgold County as is the County's cost of providing health insurance. Considering the data presented, the arguments advanced and my recommendation on Insurance below, I recommend a wage increase for these employees of \$.47 per hour (3.5% x \$13.65/hour).

**Insurance** - It is obvious that health insurance is the issue that drives this dispute. A critical and necessary benefit, it has become extremely costly. Premiums have dramatically escalated since 1990. The cost of single insurance has more than doubled. The cost of family insurance has increased even more. Employers have pursued many measures, including increasing deductibles and co-insurance and requiring employees to pay all or a greater portion of the premiums to contain the cost of health insurance. The County seeks here to accomplish each of these measures. In addition, it advances a proposal to induce employees whose spouses have family insurance available to them elsewhere to move to those plans.

It is not clear to the undersigned that the parties have seriously bargained the health insurance benefit. The Union contends that the County did not propose ISAC Plan 5 until mediation. Information on projected premium increases has only recently become available. The County's proposal that employee's whose spouses have insurance available to them pay the entire family premium if they take the County's insurance really begs the question of whether or not the

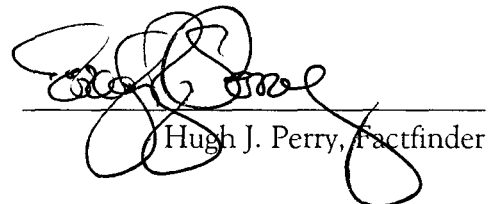
County is obligated to provide a quality health insurance program to its employees. No mention is made in the proposal as to the quality or cost of the spouse's insurance program. Other employers could require the same of its employees with resulting battles to shift health insurance liability. The history of insurance here has been for these employees to pay a finite portion of the family insurance premium and for the County to pay the difference. Most other comparable employers pay the cost of single insurance. Most require a contribution in some form from their employees for family insurance. The best health insurance benefit is one that is negotiated between the parties. The County contends that only a neutral can bring equity to this insurance dispute, presumably by recommending or awarding the proposal advanced by the County. I disagree. Reasonable parties can reach mutual agreement about their health insurance benefit. Such requires considerable time, good faith, the free exchange of information and difficult compromise. Such is done routinely in bargaining. Having said all this, it is clear that if these employees wish to retain their current insurance benefit, they should be required to pay more for it. Their current contribution of \$153.82 toward family insurance has remained constant since 1982. Since that time health insurance rates have dramatically escalated. I recommend that the current health insurance (now ISAC plan 3) continue, that the County pay the cost of single insurance and that employees electing family coverage pay \$183.82 per month toward the cost of such coverage.

### RECOMMENDATIONS

**Wages** -Exhibit A-That these employees wages be increased by \$.47 per hour effective July 1, 2002

**Group Insurance** -Article 23-That Current Insurance language be placed in the new contract, except change \$153.82 to \$183.82 and change ISAC Plan 4 to ISAC Plan 3

Signed this 13<sup>th</sup> day of March, 2002



Hugh J. Perry, Factfinder

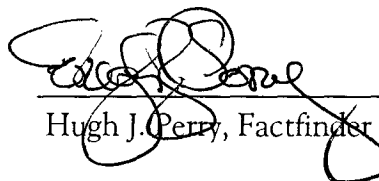
## CERTIFICATE OF SERVICE

I certify that on the 13<sup>th</sup> day of March, 2002, I served the foregoing Recommendations of Factfinder upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

James Swanger  
Attorney At Law  
666 Walnut Suite 2000  
Des Moines, Iowa 50309

Randall Schultz  
PPPME Local 2003  
719 West Jackson Street  
Sigourney, Iowa 52591

I further certify that on the 13<sup>th</sup> day of March, 2002, I will submit this report for filing by mailing it to the Iowa Public Employment Relations Board, 514 East Locust Street, Suite 202, Des Moines, IA 50309.

  
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Hugh J. Perry, Factfinder